

Overview of Compliance Requirements for DMH/DD/SAS Substance Abuse Programs

NC Division of Mental Health, Developmental Disabilities and Substance Abuse Services

NC Department of Health and Human Services

Subrecipient Monitoring 101

Local Management Entity
Substance Abuse Services
Points of Contact

August 15, 2007

Program Description/Goals/Focus

- On January 2, 2002 President Bush signed into law the No Child Left Behind Act (NCLB) of 2001, Public Law 107-110, which reauthorized the Elementary and Secondary Education Act of 1965 (ESEA). The NCLB emphasizes the administration's four pillars for education reform—accountability, use of science-based programs, parental and community involvement, and local decision-making—and is designed so that federal support for elementary and secondary education ensures that every student achieves academic success.
- The purpose of this funding is to support programs to prevent violence in and around schools by strengthening programs that prevent the illegal use of alcohol, tobacco, and other drugs, involve parents, and are coordinated with related federal, state, and community efforts and resources.

Activities Allowed or Unallowed

Allowed Activities

 a variety of activities designed to prevent school violence and youth drug use, and to help schools and communities create safe, disciplined, and drug-free environments that support academic achievement.

Unallowed Activities

- Any diagnosis or treatment of substance abuse or dependency or mental illness.
- Safe and Drug-Free Schools and Communities Act (SDFSCA) funds may not be used for construction, or to provide medical services, drug treatment, or rehabilitation. Pupil services or referral to treatment for students who are victims of or witnesses to crime or who use alcohol, tobacco, or drugs are not included in the prohibition (Section 4154 of the SDFSCA (20 USC 7164)).

Allowable Costs/Cost Principles

- Grantee will be reimbursed outside of the-UCR system and settled on an expenditures basis. Not less than 70% of the total amount of the annual grant award for Governors' High-Risk Youth Projects shall be earned on an annual basis through the provision of currently approved project services to eligible children and adolescents in Child Substance Abuse.
- Not more than 30% of the total amount of the annual grant award for Governor's High-Risk Youth Projects may be earned on an annual basis through the provision of any of the following approved project services that target populations of Child Substance Abuse and Selective Prevention (CSSP):
 - H0001: Alcohol and/or Drug Assessment
 - H0002: Alcohol and/or Drug Screening
 - H0025: Behavioral Health Prevention Education Services

Eligibility

- Eligible Recipients for High-Risk Youth Projects are:
 - a) between the ages of 5 and 17 years of age; or parents of this age group
 - b) at high risk of becoming an alcohol or other drug abuser, or who have been alcohol or other drug abusers in the past;
 - c) assessed as high-risk for substance abuse in one or more of the federally designated high-risk categories
- Eligible Recipients for High-Risk Youth Projects shall not:
 - a) be currently abusing alcohol or other drugs or
 - b) be currently receiving treatment for a diagnosis of substance abuse or dependence.

Reporting Requirements

- Reporting shall follow guidelines set forth in the annual Performance Contract between the LME/AA and Division of MH/DD/SAS, individual allocation letters from the Division of MH/DD/SAS to the LME/AA.
- Programs shall annually submit to the Division the following reports:
 - a. Annual Plan Application and Statement of Assurances
 - b. Mid-Year Progress Report (Due 1/31 of each year)
 - c. Year-End Evaluation Report (Due 7/31 of each year)
 - d. Financial Status Reports (FSR's) (Due by the 10th of the month for reimbursement of the previous month's expenditures) for direct contractors of services.

Special Tests and Provisions

The agency must comply with any additional requirements specified in the contract or to any other performance-based measures or agreements made subsequent to the initiation of the contract including but not limited to findings requiring a plan of correction or remediation in order to bring the program into compliance.

Program Description/Goals/Focus

- The MAJORS (Managing Access for Juvenile Offender Resources and Services) Program coordinates the development, adoption, and implementation of statewide juvenile justice substance abuse protocols for screening and clinical assessment, and measures of program performance and client outcomes for use by AOC and DMH/DD/SAS. The MAJORS Program will provide opportunities for youth to receive accessible, responsive, and coordinated community substance abuse treatment services directed towards changing client behaviors and sustaining positive gains made in treatment.
- The MAJORS Program is piloting the development, implementation, and evaluation of an innovative model of specialized substance abuse community treatment, transitional care, and coordination services for adjudicated juvenile offenders, with the highest service priority for those youth on aftercare supervision with the Juvenile Court who are returning to the community from training school or residential treatment programs.

Activities Allowed or Unallowed

- Screening
- Evaluation
- Substance Abuse High Risk Intervention Services Individual and Group
- Substance Abuse Outpatient Treatment Services- Individual and Group
- Case Management
- Family Involvement
- Life/Personal Skills Development
- After-Hours Crisis Services
- Evening and Weekend Services
- Urinalysis
- Alternative Activities including recreation, mentoring, and tutoring
- Supportive services for clients, i.e. transportation stipends, child care vouchers, etc.
- Post-Institutional Care Transitional services

Allowable Costs/Cost Principles

Services that meet the needs for adjudicated juvenile offenders, with the highest service priority for those youth on aftercare supervision with the Juvenile Court who are returning to the community from training school or residential treatment programs. The Division of MH/DD/SAS has adopted the cost principles set forth in OMB Circular A-87 for the administration of this program.

Eligibility

In addition to the guidelines and regulations for the Substance Abuse Prevention and Treatment Block Grant funds (refer to the Division's SAPTBG Supplement # 93.959-CL), the following conditions apply for individuals receiving MAJORS Program Services supported by these funds must meet the following eligibility requirements:

- Client shall be adjudicated as a delinquent by the Juvenile Court.
- Client shall have a current principal or primary DSM-IV diagnosis of substance abuse or dependence and the main focus of treatment shall be for substance abuse problems.

Reporting Requirements

- Submit North Carolina Treatment Outcomes and Program Performance (NC-TOPPS) Initial and Update Assessments on all MAJORS clients as required by DMH/DD/SAS.
- Programs shall quarterly submit to the Division the Substance Abuse/Juvenile Justice Initiative Quarterly Report of LME/AA Compliance with Division Performance Contract. (Due 1/20, 4/20, 7/20, and 10/20)

Special Tests and Provisions

The agency must comply with any additional requirements specified in the contract or to any other performance-based measures or agreements made subsequent to the initiation of the contract including but not limited to findings requiring a plan of correction or remediation in order to bring the program into compliance.

Program Description/Goals/Focus

- The CASAWORKS for Families comprehensive treatment model combines substance abuse treatment, mental health and developmental services for children, healthcare, case management, parenting support, and job readiness training leading to employment and self-sufficiency.
- The purpose of the N.C. CASAWORKS for Families Residential Initiative is to address the multiplicity of needs of this population and assist them in moving toward self-sufficiency.

Activities Allowed or Unallowed

Allowed Activities (for each program site):

- Hiring of thirteen positions, specifically designated in the RFA, to provide residential services, job readiness, childcare, transportation, parenting, and other service and administrative functions for Work First clients (participants) and their children who meet eligibility criteria.
- Support of the personnel positions including travel, training, supervision, support staff, and other related costs.
- Rent, utilities, furniture, supplies and other necessary purchases to operate 8 apartments for clients, one apartment for a family center and office space needed for staff. Limitations on the amount of office space are provided for in the application budgets.
- Substance abuse treatment services that are not medically supervised and are not covered by Medicaid reimbursement.

Activities Allowed or Unallowed (cont'd)

Unallowed Activities:

- Substance abuse or other treatment services covered by Medicaid reimbursement.
- No purchase above \$5000 for any one item.
- Funds shall not be used for facility purchase, construction or renovation.
- Any services to individuals who are not receiving Work First Cash Assistance or former recipients only as specified within limited eligibility criteria unless a waiver is provided by DMH/DD/SAS.

Allowable Costs/Cost Principles

 Funds must be expended or earned in accordance with the Performance Contract, including amendments via individual contract specifications and must be consistent with G.S. §143C, OMB A-87, A-21 or A-122 as applicable.

Eligibility

- All individuals provided services by the initiative will be current recipients
 of Work First Cash Assistance with a substance abuse or dependency
 diagnosis and have at least one child under the age of 11 in their
 custody. Waivers for Work First participation or the children's age
 requirements must be in writing from the Division.
- A client who during their residential stay finds employment and no longer receives cash assistance may continue to participate in the residential program as long as they continue to be an open Work First case. County DSS choose in their local Work First plans whether to provide services to eligible families whose income is at or below 200% of poverty (or a lower level defined by the county). Therefore, based on the county DSS' plan, families may continue to be eligible for services after they loose eligibility for Work First cash payment.
- All award recipients will be required to maintain appropriate documentation of verification of conditions of current Work First eligibility in the case record, if applicable.

Reporting Requirements

- NC-TOPPS
- Weekly report of bed availability for capacity management requirement of SAPTBG
- Other reports requested by DMH Program Administrator

Special Tests and Provisions

 The agency must comply with any additional requirements specified in the contract or to any other performance-based measures or agreements made subsequent to the initiation of the contract including but not limited to findings requiring a plan of correction or remediation in order to bring the program into compliance.

Strengthening Families

Program Description/Goals/Focus

- The Strengthening Families Program (SFP) is a family skills training program designed to reduce risk factors for substance use and other problem behaviors in high-risk children of substance abusers including behavioral problems, emotional, academic and social problems.
- SFP builds on protective factors by improving family relationships, parenting skills, and improving the youth's social and life skills.

Strengthening Families (cont'd)

Activities Allowed or Unallowed

Allowed Activities

– Hiring of one full time site coordinator, one full time substance abuse counselor (master's level), one full time substance abuse prevention professional (certified) and 3 (contract) substance abuse professionals (counselors) to provide coordination, facilitation, case support ,home visits, transportation parenting skills and other services for participants who meet the eligibility criteria.

<u>Unallowed Activities</u>

- Purchase of computer equipment without approval from state program administrator.
- Services to participants who do not meet the eligibility requirements.

Strengthening Families (cont'd)

Allowable Costs/Cost Principles

 Funds must be expended or earned in accordance with the Performance Contract, including amendments via individual contract specifications and must be consistent with G.S. §143C, OMB A-87, A-21 or A-122 as applicable.

Eligibility

 Eligible participants must be families who have children 6-14, who are at risk for substance abuse (i.e. children of substance abusers)

Strengthening Families (cont'd)

Reporting Requirements

- Quarterly Reports
- Mid-year Reports
- Year-end Reports

Special Tests and Provisions

 The agency must comply with any additional requirements specified in the contract or to any other performance-based measures or agreements made subsequent to the initiation of the contract including but not limited to findings requiring a plan of correction or remediation in order to bring the program into compliance.

Substance Abuse Prevention

Program Description/Goals/Focus

- This program seeks to increase awareness and knowledge of the nature and extent of alcohol, tobacco, and drug use, abuse and addiction and their effects on individuals, families and communities.
- Various strategies are used to accomplish this goal including but not limited to prevention education programs, parenting and family management classes, mentor programs, providing alternatives to substance use through drug-free dances and parties, youth/adult leadership activities, community drop-in centers, problem identification and referral services, media messages, multi agency coordination and collaboration and working to modified alcohol and tobacco advertising practices and other environmental effects.

Activities Allowed or Unallowed

- Information Dissemination
- Education
- Alternatives
- Problem Identification and Referral
- Community-Based Process
- Environmental

Unallowed activities

 Any activities that were provided to clients who have a diagnosis of substance abuse or dependence. Early Intervention activities which were previously counted as part of the SAPTBG 20% prevention set-aside may not any longer be counted towards the required 20% primary prevention set-aside in the new SAPTBG regulations.

Allowable Costs/Cost Principles

 Funds must be expended or earned in accordance with the Performance Contract, including amendments via individual contract specifications and must be consistent with G.S. §143C, OMB A-87, A-21 or A-122 as applicable.

Eligibility

- In accordance with the Substance Abuse Prevention and Treatment Block Grant regulations, 45 CFR Part 96, Subpart L, any program earning or expending these funds for substance abuse primary prevention services shall provide such services for individuals who do not have a diagnosis of substance abuse or dependence and who do not require treatment for substance abuse in accordance with the definition and strategies for primary prevention programs outlined below and shall:
- a. provide programs for individuals who do not require treatment for substance abuse;
- b. educate and counsel the individuals on such abuse;

Eligibility (cont'd)

- c. provide for activities to reduce the risk of such abuse by the individuals;
- d. give priority to programs for populations that are at risk of developing a pattern of such abuse;
- e. ensure that programs receiving such priority develop community-based strategies for prevention of such abuse, including strategies to discourage the use of alcoholic beverages and tobacco products by individuals to whom it is unlawful to sell or distribute such beverages or products.
- The definition of Primary Prevention Programs is those programs and services that are directed at individuals who have not been determined to require treatment for substance abuse. Comprehensive primary prevention programs should give priority to target population sub-groups that are at risk of developing a pattern of substance abuse.

Reporting Requirements

- Each LME is required to annually submit to the Division the "Area Program Fund Expenditure Report of SAPTBG 20% Set-Aside Funds for Substance Abuse Primary Prevention Programs" to provide an accounting of the expenditure of funds for Substance Abuse Primary Prevention Programs in an amount equal to or greater than 20% of the total SAPTBG funds allocated to the LME.
- Mid-year and Year-end Compliance Reports must be submitted to DMH/DD/SAS per the DHHS Performance Contract: http://www.dhhs.state.nc.us/mhddsas/performanceagreement/sfy06-07-semiannual-saptbgcompl-rep.doc

Special Tests and Provisions

 The agency must comply with any additional requirements specified in the contract or to any other performance-based measures or agreements made subsequent to the initiation of the contract including but not limited to findings requiring a plan of correction or remediation in order to bring the program into compliance.

Substance Abuse Services – Adult & Child

Program Description/Goals/Focus

- The objective of the Substance Abuse Prevention and Treatment Block Grant is to provide funds to LMEs to support programs for the development and implementation of prevention, treatment and rehabilitation activities and services directed to the diseases of alcoholism and drug abuse, including individuals experiencing HIV and IV Drug Use as specified in the Public Health Service Act, Title XIX, Part B, Subpart II, as amended, Public Law 102-321; 42 U.S.C. 300X; and 45 CFR, Part 96.
- Funds are also allocated to facilitate training and professional development of providers in the field.

Activities Allowed or Unallowed

Unallowed Activities

- Provide inpatient hospital services except as defined in DMH
 Compliance Supplement 93.959-1 Substance Abuse Services.
- Make cash payments to intended recipients of health services.
- Purchase or improve land, purchase, construct or permanently improve any building or other facility, or purchase major medical equipment--unless the state has obtained a waiver from the Secretary of Health and Human Services.
- Satisfy any requirement for the expenditure of non-federal funds as a condition for the receipt of federal funds.

Activities Allowed or Unallowed (cont'd)

Unallowed Activities

- Provide financial assistance to any entity other than a public or nonprofit entity.
- Support any individual salary in excess of \$125,000.00.
- All programs funded in whole or in part with SAPTBG funds shall certify they have not and will not use federal funds to pay for lobbying activities.
- All programs funded in whole or in part with SAPTBG funds shall use such funds as a "payment of last resort" for services but, per North Carolina General Statute 122C-146, no individual may be refused services because of an inability to pay.

Allowable Costs/Cost Principles

 Funds must be expended or earned in accordance with the Performance Contract, including amendments via individual contract specifications and must be consistent with G.S. §143C, OMB A-87, A-21 or A-122 as applicable.

Eligibility

- Individuals eligible to receive prevention, treatment and rehabilitation services because of alcohol, drug and substance abuse issues.
- Priority for admission is given to pregnant women, women with dependent children, HIV and IV drug users, individuals at risk of TB due to drug use.
- Primary prevention programs under the SAPTBG Synar Amendment also targets youth at risk of tobacco use.

Reporting Requirements

 Mid-year and Year-end Compliance Reports must be submitted to DMH/DD/SAS per the DHHS Performance Contract: http://www.dhhs.state.nc.us/mhddsas/performanceagreement/sfy 06-07-semiannual-saptbgcompl-rep.doc

Special Tests and Provisions

The agency must comply with any additional requirements specified in the contract or to any other performance-based measures or agreements made subsequent to the initiation of the contract including but not limited to findings requiring a plan of correction or remediation in order to bring the program into compliance.

Substance Abuse Treatment Alternatives for Women

Program Description/Goals/Focus

- The North Carolina Perinatal and Maternal Substance Abuse Initiative is supported both by state-Treatment Alternatives for Women funds appropriated by the N.C. General Assembly and Substance Abuse Prevention and Treatment Block Grant Funds.
- The Perinatal and Maternal Substance Abuse Initiative program objective is to provide specialized substance abuse treatment to pregnant women and women with dependent children.

Substance Abuse Treatment Alternatives for Women (cont'd)

Activities Allowed or Unallowed

In accordance with Section 1924 of P.L. 102-321, any program receiving SAPTBG set-aside funds for operating a program of treatment for substance abusing pregnant women, women with dependent children or women seeking to regain custody of their child(ren) shall:

- 1. Treat the family as a unit, admitting both women and their children into treatment services, as appropriate; and
- 2. Provide or arrange for the provision of services to pregnant women and women with dependent children, including women who are attempting to regain custody of their children

Substance Abuse Treatment Alternatives for Women (cont'd)

Allowable Costs/Cost Principles

 Funds must be expended or earned in accordance with the Performance Contract, including amendments via individual contract specifications and must be consistent with G.S. §143C, OMB A-87, A-21 or A-122 as applicable.

Substance Abuse Treatment Alternatives for Women (cont'd)

Eligibility

Each program has admission requirements that can be verified by review of the approved grant proposal. In general, the following apply to most programs:

- 1. These services are available to the following population in priority preference order:
- Pregnant IV Drug User
- Pregnant Drug User
- All other women with dependent children
- 2. All of the programs in the Perinatal and Maternal Substance Abuse Initiative are Cross Area Service Programs that admit clients statewide.

Substance Abuse Treatment Alternatives for Women (cont'd)

Reporting Requirements

- For funds allocated through UCR, Local Management Entities report services delivered to eligible adult and child mental health clients through Unit Cost Reimbursement (UCR) via the Integrated Payment and Reporting System (IPRS).
- For funds allocated as non-UCR funds, any applicable reporting requirements will be set forth in specific allocation letters to Local Management Entities.

Special Tests and Provisions

 The agency must comply with any additional requirements specified in the contract or to any other performance-based measures or agreements made subsequent to the initiation of the contract including but not limited to findings requiring a plan of correction or remediation in order to bring the program into compliance.

Program Description/Goals/Focus

 TASC was developed to divert individuals to treatment and other community based services and away from institutional settings by linking treatment and justice goals of reduced drug use and criminal activity through processes that increase treatment access, engagement and retention.

The goal of TASC is to intervene in the crime cycle by:

- Identifying appropriate offenders for treatment and support services;
- Facilitating entry into the recovery process;
- Advocating for the offender's opportunity to successfully complete TASC, treatment and criminal justice system requirements; and
- Ensuring community safety with partner agencies.

Activities Allowed or Unallowed

Allowed Activities:

- Operate TASC as per Section .4000 of the Rules for Mental Health,
 Developmental Disabilities and Substance Abuse Facilities and Services,
 10A North Carolina Administrative Code 27G
- Operate TASC in accordance with the TASC Standard Operating Procedures (SOP), the Department of Health and Human Services (DHHS)-Department of Correction (DOC)-Adminsitrative Office of the Courts (AOC) Memorandum of Agreement (MOA) and the Offender Management Model (OMM).
- Participate in TASC, treatment and justice-related meetings and training events.

Unallowed Activities:

 Any services to individuals who are not involved in the adult criminal justice system.

Allowable Costs/Cost Principles

 Funds must be expended or earned in accordance with the Performance Contract, including amendments via individual contract specifications and must be consistent with G.S. §143C, OMB A-87, A-21 or A-122 as applicable.

Eligibility

In addition to the guidelines and regulations for the Substance Abuse Prevention and Treatment Block Grant funds (refer to the Division's SAPTBG Supplement # 93.959-1), the following conditions apply for individuals receiving TASC services supported by these funds:

- involvement in the adult criminal justice system; and
- voluntary consent to participate; and
- evidence of a history or potential substance abuse and/or mental health issue, including drug-related charges.

Reporting Requirements

- Submit data, information and reports that document program activities, budgets and performance measures. The information includes, but is not limited to:
- TASC Regional Quarterly Reports;
- TASC Criminal Justice Management (CJM) performance measures;
- TASC SOP, DHHS-DOC-AOC MOA and OMM compliance;
- Sentencing and Policy Advisory Commission requests for data;
- Legislative requests for information; and
- Any other Division-specified information or data.

Special Tests and Provisions

 The agency must comply with any additional requirements specified in the contract or to any other performance-based measures or agreements made subsequent to the initiation of the contract including but not limited to findings requiring a plan of correction or remediation in order to bring the program into compliance.

North Carolina TASC Network

Region 4 – Carlene Wood 370 N.Louisiana Ave, Ste. E-3 Asheville, NC 28806 828.210.0540

Host LME: Western Highlands

with probation & the courts for all 100 counties.

Region 3 – Michael Gray 516 N. Trade St. Winston-Salem, NC 27101 336.714.7099

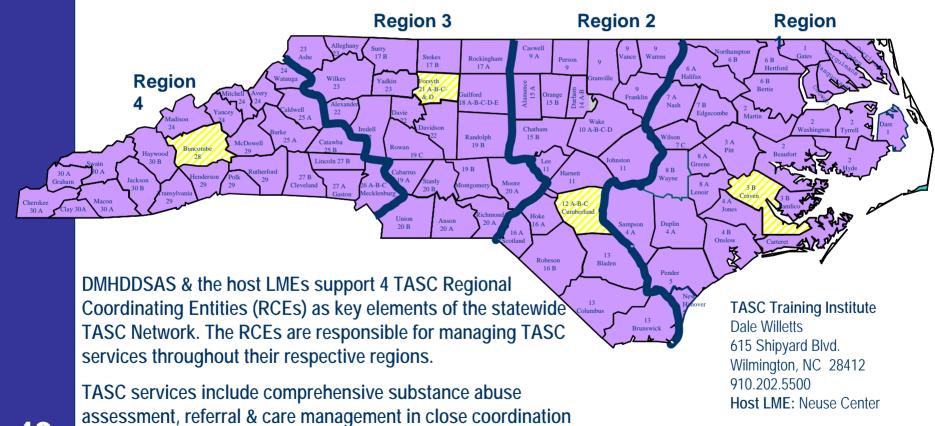
Host LME: Western Highlands

Region 2 – Andy Miller 412 West Russell Fayetteville, NC 28302 910.321.6796

Host LME: Cumberland MHC

Region 1 - Wes Stewart 308 New Street New Bern, NC 28560 252.638.3909

Host LME: Neuse Center



Work First/Substance Abuse Initiative

- Program Description/Goals/Focus
 - The Work First/Substance Abuse Initiative (WF/SA Initiative)
 provides early identification of Work First participants who have
 some level of substance abuse impairment that would prevent
 them from securing and maintaining employment.

Work First/Substance Abuse Initiative (cont'd)

Activities Allowed or Unallowed

Allowed Activities:

- Employ or contract with a licensed Substance Abuse Treatment facility for the services of a Qualified Substance Abuse Professional(s) to provide services for Work First applicants, Work First recipients (participants), Class H or I Controlled Substance Felons and CPS involved families who meet eligibility criteria
- Support of the Qualified Substance Abuse Professional(s) position including travel, training, supervision, etc.
- Purchase of the SUDDS-IV, a standardized assessment tool, required by the Division of MH/DD/SAS.

Unallowed Activities:

- Substance abuse services billed to Medicaid.
- Any services to individuals who are not Work First applicants or participants or families with substantiated child abuse and neglect cases.

Work First/Substance Abuse Initiative (cont'd)

Allowable Costs/Cost Principles

 Funds must be expended or earned in accordance with the Performance Contract, including amendments via individual contract specifications and must be consistent with G.S. §143C, OMB A-87, A-21 or A-122 as applicable.

Eligibility

The eligible populations in this program are the following:

- Work First applicants
- Current Work First participants
- Class H or I Controlled Substance Felons applying for Work First and/or Food Stamps who meet eligibility under the NC G.S. 108A-25.2.
- Family members who have a substantiated case of child abuse and neglect and substance abuse was an element of the substantiation.

Work First/Substance Abuse Initiative (cont'd)

- Reporting Requirements
 - Quarterly Reports
- Special Tests and Provisions
 - The agency must comply with any additional requirements specified in the contract or to any other performance-based measures or agreements made subsequent to the initiation of the contract including but not limited to findings requiring a plan of correction or remediation in order to bring the program into compliance.

Accountability Team Contact Information for Subrecipient Monitoring

Subrecipient Monitoring

- Mary Tripp, Accountability Team Policy Unit Leader
 - DMH/DD/SAS Lead Monitoring Coordinator, Monitoring Plan
- Pei Chi Wu, Accountability Team Research/Statistical Analyst
 - Risk Assessment, Monitoring Tools, Compliance Supplements, Statistical Reports, Database Management
- Katrina Blount, Accountability Team Budget Officer
 - Follow-up on Single Audit Findings from the LME and Non-profits, LME Systems Management Expenditure Reports, Compliance Supplements

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